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中國前沿科技集團

China Frontier Technology Group

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1661)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE
ACQUISITION OF 49% OF EQUITY INTEREST OF
THE TARGET COMPANY**

On 23 April 2026 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company as the purchaser entered into the Sale and Purchase Agreement with the Vendor as the vendor, pursuant to which the Vendor has agreed conditionally to sell, and the Purchaser has agreed conditionally to acquire, the Sale Equity Interest, representing 49% of the total equity interest in the Target Company, at the aggregate Consideration of RMB19,600,000 (equivalent to approximately HK\$22,148,000).

As at the date of this announcement, the Target Company is wholly-owned by the Vendor. Upon Completion, the Company shall hold 49% of the total equity interest of the Target Company through the Purchaser, the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements, but is exempt from the Shareholders' approval requirement under the Listing Rules.

As Completion is subject to the satisfaction or waiver (if applicable) of certain Conditions, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION

On 23 April 2026 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company as the purchaser entered into the Sale and Purchase Agreement with the Vendor as the vendor, pursuant to which the Vendor has agreed conditionally to sell, and the Purchaser has agreed conditionally to acquire, the Sale Equity Shares, representing 49% of the total equity interest in the Target Company, at the aggregate Consideration of RMB19,600,000 (equivalent to approximately HK\$22,148,000).

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

- Date: 23 April 2026
- Parties: (i) The Vendor (as seller); and
(ii) The Purchaser (as purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner is an Independent Third Party.

Subject Matter

The Vendor has agreed conditionally to sell and the Purchaser has agreed conditionally to acquire the Sale Equity Interest, representing 49% of the total equity interest in the Target Company.

Conditions

Completion is subject to and conditional upon the satisfaction or waiver (if applicable) of the following conditions:

- (a) the Purchaser having been reasonably satisfied with the results of the due diligence review to be conducted;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and have not been revoked;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and have not been revoked;
- (d) the warranties to be given under the Sale and Purchase Agreement from the date of the Sale and Purchase Agreement to the Completion Date remaining true and accurate and not misleading in all material respects; and

- (e) the obtaining of a valuation report (in the form and substance satisfactory to the Purchaser) from a firm of independent professional valuers appointed by the Purchaser with the valuation of 49% equity interest of the Target Company of not less than RMB 19,600,000.

The Purchaser may at its absolute discretion at any time waive in writing the conditions set out in (a) and (d) (to the extent it is capable of being waived). The conditions set out in (b) to (c) and (e) above are incapable of being waived. If any of the Conditions have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall cease and determine, and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches on the terms thereof.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration payable by the Purchaser for the Sale Equity Interest shall be the aggregate sum of RMB19,600,000 (equivalent to approximately HK\$22,148,000) and shall be settled by the Purchaser to the Vendor in cash upon Completion.

Basis of the Consideration

The aggregate Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, the net asset position of the Target Group as at the date of the Sale and Purchase Agreement; the historical financial performance, business development and future prospect of the Target Group; and the valuation of 49% equity interest of the Target Group in the amount of RMB20,245,000 as at 31 March 2026 based on the valuation report prepared by an independent professional valuer on the market approach.

The Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The valuation of the Target Group

The valuation of the Target Group was performed by MILES Valuation Advisory Limited, an independent professional valuer. It is formed by experienced professionals from accounting, finance and real estate with well-recognised qualifications including but not limited to HKICPA, CFA, MHKIS, RPS(GP) and MCIREA. The Valuer has assessed the fair value of the 49% equity interest of the Target Company as of 31 March 2026.

Scope of work

In conducting this valuation exercise, the Valuer has carried out the following:

- co-ordinated with the Company's representatives to obtain the required information and documents for the valuation;
- gathered the relevant information of the Target Group, including the legal documents, financial statements;

- discussed with the Company and the Target Group to understand the history, business model, operations, business development plan, etc. of the Target Group for valuation purpose;
- carried out research in the sector concerned and collected relevant market data from reliable sources for analysis;
- studied the information of the Target Group and considered the basis and assumptions of their conclusion of value; and
- selected an appropriate valuation method to analyse the market data and derived the estimated fair value of the Target Group.

When performing the valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to the Valuer. They relied on such data, records and documents in arriving at their opinion of value and had no reason to doubt the truth and accuracy of the information provided to the Valuer by the Company, the Target Group and their authorised representatives.

Limitations of the valuation

The valuation report does not constitute an opinion on the commercial merits and structure of the potential transaction. The valuation report does not purport to contain all the information that may be necessary or desirable to fully evaluate the potential transaction. The Valuer is not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the potential transaction and such remain the sole responsibility of the Directors and management of the Company.

The Valuer has assumed and relied upon, and has not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to them or relied upon by them in the valuation report especially for the financial information of the Target Group for the year ended 31 December 2025 provided by the management, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by them concerning the accuracy, completeness or adequacy of all such information.

Moreover, the Valuer has also relied upon other information obtained from public sources which they believe to be reliable. The Valuer accepts no responsibility for accuracy and reliability of any information obtained from public sources.

Valuation methods

The asset-based approach, income approach and market approach have been considered for the valuation. The market approach has been identified as the most appropriate valuation approach for this valuation as fair value arrived from the market approach reflects the market expectations over the corresponding industry as the price multiples of the guideline companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target Group, their market values are good indicators of the industry of the Target Group. Therefore, the market approach has been adopted in this valuation. The Valuer has advised that it has chosen five comparable companies which are principally engaged in the development, production, and sales of functional adhesive tapes and composite film materials including conductive, thermal management, and cushioning products and listed on major stock exchanges, which the Valuer considered exhaustive and representative. In determining the appropriate valuation multiples for the valuation of the Target Group, the Valuer considered that enterprise value-to-earnings before interests, taxes, depreciation and amortisation multiple (the “**EV/EBITDA Multiple**”) is the most appropriate indicator of the enterprise value of the Target Group, as the multiple eliminates the difference in capital structure and related risk features. Enterprise value is generally derived based on the market capitalisation of a company, plus net debt (total debts net of cash and cash equivalents) and minority interest, and the Valuer has acquired the data of enterprise value of each comparable company from Factset.

Valuation assumptions

In arriving at the opinion of value, the Valuer has considered the following principal factors:

- the economic outlook for the region operated by the Target Group and specific competitive environments affecting the industry;
- the business risks of the Target Group;
- the nature and prospects of the industry of the Target Group is operating;
- the guideline public companies engaging in business operations similar to the Target Group; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at the value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Group; and
- The Valuer has assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, the Valuer assume no responsibility for changes in market conditions after the valuation date.

Selection criteria of comparables adopted in the valuation

The guideline public companies are selected with reference to the following selection criteria:

- The primary industry of the guideline public companies is in the industry of Electronic Materials Manufacturing, under FactSet Revere Business Industry Classification System (RBICS), as extracted from FactSet;
- The principal business of the guideline public companies is engaged in the development, production, and sales of functional adhesive tapes and composite film materials including conductive, thermal management, and cushioning products;
- Over 50% of revenue of the guideline public companies is generated from Mainland China;
- The guideline public companies are listed on global major stock exchanges, including but not limited to exchanges in the United States, Hong Kong, Mainland China, Korea, Taiwan, and other developed capital markets, where market liquidity and regulatory disclosure standards are present; and
- The financial information of the guideline public companies is available to the public.

Adjustments made to the valuation basis

This valuation employs the market approach and adopts 42.7% lack of marketability discount (“LoMD”). LoMD reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

Calculation of the Target Group's valuation results

The appraised value of the Target Group's equity interest was calculated by the Valuer as follows:

Normalized EBITDA of the Target Group for the year ended 31 December 2025	RMB7,338,000
Adopted median EV/EBITDA multiple	6.81x
Estimated enterprise value of the Target Group	RMB49,967,000
Add: Cash and cash equivalent of the Target Group	RMB4,315,000
Less: Debt of the Target Group	(RMB12,965,000)
Estimated 100% equity value of the Target Group (non-marketable and non-controlling basis)	RMB41,317,000
% of shareholding to be acquired	49.0%
Estimated 49% equity value of the Target Group (non-marketable and non-controlling basis) (rounded)	RMB20,245,000

Completion

The Completion Date shall be the date when the industrial and commercial registration for the Sale Equity Interest to be registered under the name of the Purchaser has been completed, which shall be after the Conditions have been fulfilled and/or waived (if applicable) in accordance with the Sale and Purchase Agreement.

As at the date of this announcement, the Target Company is wholly-owned by the Vendor. Upon Completion, the Company shall hold 49% of the total equity interest of the Target Company through the Purchaser, the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Company.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of events operation and marketing services, sports services and trading of functional material in the PRC and Hong Kong.

The Purchaser is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. The Purchaser is principally engaged in materials trading.

INFORMATION ON THE VENDOR

The Vendor is a company established in the PRC with limited liability and is principally engaged in the research and development of functional materials, with its subsidiaries being mainly engaged in the production and trading of functional materials.

The ultimate beneficial owner of the Vendor is Zeng Fangqin, an entrepreneur with over 15 years' experience in the field of intelligent manufacturing and new materials in the electronics industry.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the PRC with limited liability and the Target Group is principally engaged in functional materials research and development, production and trade. As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

Set out below is the unaudited consolidated financial information of the Target Group for the two financial years ended 31 December 2024 and 2025, respectively:

	For the year ended 31 December	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net profit before tax	10,996.94	9,979.37
Net profit after tax	10,509.59	8,751.70

According to the unaudited consolidated financial information of the Target Group, as at 31 December 2025, the Target Group had a consolidated net assets of approximately RMB18,758,864.12.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Group is a sports culture group in the PRC engaged in the provision of events operation and marketing services, as well as sports services and the trading of functional materials, in the PRC and Hong Kong.

As disclosed in the annual results announcement of the Company for the year ended 31 December 2025, the Company is currently undertaking a strategic move to diversify the Group's business model beyond its core events operations, specifically, entering the functional materials market allows the Group to leverage existing commercial capabilities such as logistics, client management, and contract negotiation while developing new competencies in product specification, quality assurance, and regulatory compliance. It is intended by the Company to maintain events operations as its foundational business while actively growing the functional materials trading segment. By adopting a dual focus strategy, the Company aims to reduce reliance on any single revenue source and create more consistent, sustainable income streams across economic cycles and. The Acquisition represents one of the efforts of the Company under its strategy to achieve this end with the Target Company's principal business being functional materials research and development, production and trade and ultimately the Company strives to deliver improved returns and greater value to the Shareholders.

The Directors consider that the Acquisition is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements, but is exempt from the Shareholders' approval requirement under the Listing Rules.

As Completion is subject to the satisfaction or waiver (if applicable) of certain Conditions, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings:

“Acquisition”	the acquisition by the Purchaser of the Sale Equity Interest to and upon the terms and conditions of the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors from time to time
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	China Frontier Technology Group, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on Main Board of the Stock Exchange (stock code: 1661)
“Completion”	completion of the Acquisition in accordance with the Sale and Purchase Agreement
“Completion Date”	the date on which the industrial and commercial registration for the Sale Equity Interest to be registered under the name of the Purchaser has been completed
“Condition(s)”	conditions precedent to the Completion as set out under the paragraph headed “Conditions” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB19,600,000 (equivalent to approximately HK\$22,148,000), being the aggregate consideration for the Acquisition
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2026 or such later date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Broadcom Advanced New Materials (Shenzhen) Company Limited* (博通前沿新材料(深圳)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 23 April 2026 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Sale Equity Interest”	49% of the total equity interest of the Target Company
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of USD0.0025 each in the capital of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ningbo Qihe New Material Technology Company Limited* (寧波啟合新材料科技有限公司), a company established in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries

“Valuer”	MILES Valuation Advisory Limited, an independent valuer in Hong Kong
“Vendor”	Shenzhen Bochi Electronics Company Limited (深圳市博弛電子有限公司), a company established in the PRC with limited liability and as at the date of this announcement, the sole legal and beneficial owner of the Sale Equity Interest
“%”	per cent.

For purpose of this announcement, unless otherwise specified, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.13. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amount has been or could have been or may be exchanged at this rate or any other rate at all.

By order of the Board
China Frontier Technology Group
Ren Song
Chairlady and Executive Director

Hong Kong, 23 April 2026

As at the date of this announcement, the executive Directors of the Company are Ms. Ren Song, Ms. Zhang Panpan and Ms. Zhang Yingzhao; and the independent non-executive Directors of the Company are Ms. Leung Hiu Man, Ms. Gao Wenjuan and Ms. Peng Xiaoliu.

* *for identification purposes only*